

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES  
PURSUANT TO PUBLIC LAW 108-18

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Docket No. R2005-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN  
TO INTERROGATORIES OF MAJOR MAILERS ASSOCIATION,  
REDIRECTED FROM WITNESS HATCHER  
(MMA/USPS-T22-7 B-D and 8 A and B)

The United States Postal Service hereby files the responses of witness  
Abdirahman to the above-listed interrogatories of the Major Mailers Association, filed on  
June 3, 2005, and redirected from witness Hatcher.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Nan K. McKenzie

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June 17, 2005

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO  
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION;  
REDIRECTED FROM WITNESS HATCHER**

**MMA/USPS-T22-7**

Please refer to Library Reference LR-USPS-K-69, page 1, where you show the derived workshare related unit processing costs for HAND and QBRM letters. You apply a 1.454 CRA Proportional Cost Factor to both model-derived unit costs for HAND and QBRM letters.

- A. Please explain why you applied the CRA Proportional Cost Factor of 1.454 to each of your model-derived unit costs for HAND and QBRM letters.
- B. Please confirm that, as shown in revised Library Reference LR-USPS-K-48, the BMM CRA-derived unit cost of 6.476 cents is 2.022 cents higher than USPS witness Abdirhaman's BMM model-derived unit cost of 4.454 cents. If you cannot confirm, please explain.
- C. Please confirm that USPS witness Abdirhaman's mail flow model did not and could not account for 2.022 cents of the CRA unit cost for single piece metered mail that he uses as a proxy for BMM letters. If you cannot confirm, please explain.
- D. Please confirm that the 2.022 cents that USPS witness Abdirhaman's mail flow model did not and could not account for represents 45.4% of the BMM model-derived unit cost of 4.454 cents. If you cannot confirm, please explain.
- E. Please confirm that the reason you apply the CRA Proportional Factor to both HAND and QBRM letters is to adjust your model-derived unit costs for the strong possibility that your models have not accounted for the same costs that USPS witness Abdirhaman's BMM model did not account for? If you do not agree, please explain.

**RESPONSE:**

- A. Retained by witness Hatcher.
- B. Confirmed.
- C. Please refer to my response to MMA/USPS-T-21-28 (C).
- D. It can be confirmed that 2.022 cents is 45.4% of 4.54 cents.
- E. Retained by witness Hatcher.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ABDIRAHMAN TO  
INTERROGATORIES OF THE MAJOR MAILERS ASSOCIATION;  
REDIRECTED FROM WITNESS HATCHER**

**MMA/USPS-T22-8**

Please refer to Library Reference LR-USPS-K-69, page 1, where you show the derived workshare related unit processing costs for HAND and QBRM letters. You apply a 1.454 CRA Proportional Cost Factor to both model-derived unit costs for HAND and QBRM letters.

- A. Please confirm that, as shown in revised Library Reference LR-USPS-K-48, the Automation letter CRA-derived unit cost of 1.886 cents is .782 cents lower than USPS witness Abdirhaman's model-derived unit cost for Automation letters of 2.668 cents. If you cannot confirm, please explain.
- B. Please confirm that for prebarcoded, machinable letters, USPS witness Abdirhaman's mail flow models somehow included non-existent costs of .782 cents, which represents 29.3% of the model-derived unit cost of 2.668 cents. If you cannot confirm, please explain.
- C. Please confirm that, when you applied your BMM CRA Proportional Factor to QBRM letters, you increased your model-derived unit cost by 45.4%, notwithstanding the fact that, unlike BMM letters, QBRM letters completely bypass the RBCS operation. If you cannot confirm, please explain.
- D. Please confirm that, when you applied your BMM CRA Proportional Factor to QBRM letters, you increased your model-derived unit cost by 45.4%, notwithstanding the fact that for prebarcoded, machinable letters, USPS witness Abdirhaman's mail flow models indicate that you should have reduced your model-derived unit cost by 29.3%. If you cannot confirm, please explain.

**Response:**

- A. It can be confirmed that the automation letter CRA unit cost is 1.886 cents while the total weighted model costs for all Automation letters is 2.668 cents.
- B. Please see my response to A. It can be confirmed that .782 cents is 29.3% of 2.668 cents.
- C.-D. Retained by witness Hatcher

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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Nan K. McKenzie

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June 17, 2005